



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
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VIA ECF

Catherine O'Hagan Wolfe
Clerk of Court
U.S. Court of Appeals for the Second Circuit
Thurgood Marshall United States Courthouse
40 Foley Square
New York, NY 10007

Re: SEC v. Wyly (No. 15-2821)

Dear Ms. Wolfe:

This letter follows up on Appellant's August 23, 2019 status update (ECF 219) and this Court's order of September 6, 2019 (ECF 223) to provide a further update on the parties' progress toward resolution of the above-captioned appeal. As previously reported, settlement of this case is contingent on (1) a related tax settlement being approved by the IRS and the Department of Justice; and (2) that settlement being approved by the U.S. Bankruptcy Court overseeing the bankruptcy of Charles Wyly's widow. The first step took place on July 23, 2019. The parties are glad to report that the second step also took place recently, when the bankruptcy court approved the tax settlement on November 7, 2019.

Under the settlement terms, a Receiver must be appointed to receive all settlement funds. That process is currently underway in *United States of America v. Miller*, Case 3:16-cv-02643-G (N.D. Tex.). There, the United States and Donald R. Miller, Jr., in his capacity as the Independent Executor of the Will and Estate of Charles J. Wyly, Jr., have agreed to an appointment of a receiver. Once the receiver is appointed, Mr. Miller will execute the agreed-upon consent for the entry of an amended final judgment in this matter and the disbursement of funds from the Court's Registry to satisfy the SEC's Judgment. The SEC will then request that the Court order that the remaining funds be turned over to the Receiver. Under the terms of the settlement agreement, the pending appeal will be withdrawn when the amended final judgment is entered.

The parties remain committed to pursue this process as quickly as possible and thus propose to either file for dismissal of the case with prejudice or provide a final progress report by February 21, 2020.

Respectfully submitted,

/s/ Daniel Staroselsky
Daniel Staroselsky